

Registre de Commerce et des Sociétés

Numéro RCS : B148836

Référence de dépôt : L160178429

Déposé et enregistré le 21/09/2016

RCSL Nr. : B148836

Matricule : 2009 2428 479

ABRIDGED BALANCE SHEET

Financial year from ⁰¹ 01/01/2015 to ⁰² 31/12/2015 (in ⁰³ USD)

Land Breeze II S.àr.l.

18, Avenue Marie-Thérèse

L-2132 Luxembourg

ASSETS

	Reference(s)	Current year	Previous year
A. Subscribed capital unpaid	1101	0,00	0,00
I. Subscribed capital not called	1103	0,00	0,00
II. Subscribed capital called but unpaid	1105	0,00	0,00
B. Formation expenses	1107	0,00	0,00
C. Fixed assets	1109	3.257.857.370,40	5.695.688.159,75
I. Intangible fixed assets	1111	0,00	0,00
II. Tangible fixed assets	1125	0,00	0,00
III. Financial fixed assets	1135 4	3.257.857.370,40	5.695.688.159,75
D. Current assets	1151	782.950.374,00	423.981.723,60
I. Inventories	1153	0,00	0,00
II. Debtors	1163	749.950.231,69	374.707.440,20
a) becoming due and payable within one year	1203	749.950.231,69	374.707.440,20
b) becoming due and payable after more than one year	1205	0,00	0,00
III. Transferable securities and other financial instruments	1189	0,00	0,00
IV. Cash at bank, cash in postal cheque accounts, cheques and cash in hand	1197	33.000.142,31	49.274.283,40
E. Prepayments	1199	0,00	8.910,78
TOTAL (ASSETS)	201	4.040.807.744,40	6.119.678.794,13

The notes in the annex form an integral part of the annual accounts

RCSL Nr. : B148836

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LIABILITIES

	Reference(s)	Current year	Previous year
A. Capital and reserves			
	1301 <u>5</u>	301 <u>1.688.766.360,00</u>	302 <u>3.716.430.526,79</u>
I. Subscribed capital	1303 _____	303 <u>984.543.112,00</u>	304 <u>1.445.119.525,00</u>
II. Share premium and similar premiums	1305 _____	305 <u>2.520.231.494,09</u>	306 <u>2.730.820.184,50</u>
III. Revaluation reserves	1307 _____	307 <u>0,00</u>	308 <u>0,00</u>
IV. Reserves	1309 _____	309 <u>28.840.249,46</u>	310 <u>28.840.249,46</u>
V. Profit or loss brought forward	1319 _____	319 <u>-286.610.741,76</u>	320 <u>-615.025.655,24</u>
VI. Profit or loss for the financial year	1321 _____	321 <u>-1.558.237.753,79</u>	322 <u>126.676.223,07</u>
VII. Interim dividends	1323 _____	323 <u>0,00</u>	324 <u>0,00</u>
VIII. Capital investment subsidies	1325 _____	325 <u>0,00</u>	326 <u>0,00</u>
IX. Temporarily not taxable capital gains	1327 _____	327 <u>0,00</u>	328 <u>0,00</u>
B. Subordinated debts	1329 _____	329 <u>0,00</u>	330 <u>0,00</u>
a) becoming due and payable within one year	1425 _____	425 <u>0,00</u>	426 <u>0,00</u>
b) becoming due and payable after more than one year	1427 _____	427 <u>0,00</u>	428 <u>0,00</u>
C. Provisions	1331 _____	331 <u>0,00</u>	332 <u>0,00</u>
D. Non subordinated debts	1339 _____	339 <u>2.352.041.384,40</u>	340 <u>2.403.248.267,34</u>
a) becoming due and payable within one year	1407 _____	407 <u>267.059.651,69</u>	408 <u>305.626.948,16</u>
b) becoming due and payable after more than one year	1409 <u>6</u>	409 <u>2.084.981.732,71</u>	410 <u>2.097.621.319,18</u>
E. Deferred income	1403 _____	403 <u>0,00</u>	404 <u>0,00</u>
TOTAL (LIABILITIES)		405 <u>4.040.807.744,40</u>	406 <u>6.119.678.794,13</u>

Land Breeze II S.à r.l.
Société à
responsabilité limitée
Annual accounts as at
31 December 2015

18 Avenue Marie-Thérèse

L-2132 Luxembourg

Luxembourg

R.C.S. Luxembourg: B 148.836.

Subscribed capital: USD 984,543,112.00

Land Breeze II S.à r.l.

Notes to the annual accounts as at 31 December 2015

Note 1 - General information

Land Breeze II S.à r.l. (hereafter “the Company”) was incorporated on 9 October 2009 and is organised under the laws of Luxembourg as a “Société à responsabilité limitée” for an unlimited period, subject to the general company law of 10 August 1915, as amended.

The Company is registered under number R.C.S. B 148 836.

The registered office of the Company is 18, avenue Marie-Thérèse, L-2132 Luxembourg.

The Company’s financial year starts on 1 January and ends on 31 December of each year.

The main activity of the Company is the acquisition, the management, the enhancement and disposal of participations, in Luxembourg or abroad, in any form whatsoever. The Company may also pursue marketing and selling activities directly or through branches established abroad and/or offices located abroad. The Company may in particular acquire by subscription, purchase, exchange or in any other manner any stock, shares and other participation securities, bonds, debentures, certificates of deposit and other debt instruments and more generally any securities and financial instruments issued by any public or private entity whatsoever.

Based on the criteria defined by the Luxembourg law, the Company is exempted from the obligation to draw up consolidated accounts and a consolidated management report for the year ending 31 December 2015. Therefore, in accordance with the legal provisions, these annual accounts were presented on a non-consolidated basis to be approved by the Sole Unitholder during the Annual General Meeting.

The Company is included in the consolidated accounts of Fullbloom Investment Corporation of which the Company forms a part as a subsidiary undertaking. The registered office of that company is located at 1710B New Poly Plaza, 1 North Chaoyangmen Street, Beijing, 100010, China.

Notes to the annual accounts as at 31 December 2015

Note 2 – Presentation of the comparative financial data

The following figures for the year ended 31 December 2014 have been reclassified to ensure comparability with the figures for the year ended 31 December 2015:

- an amount of USD 147,287,841.84 has been reclassified from “Debtors – becoming due and payable after more than one year” to “Debtors – becoming due and payable within one year”.
- an amount of USD 131,058,560.07 has been reclassified from “Non subordinated debts – becoming due and payable after more than one year” to “Non subordinated debts – becoming due and payable within one year”.
- an amount of USD 59,963,163.27 has been reclassified from “Interest and other financial charges – concerning affiliated undertakings” to “Interest and other financial charges – other interest and similar financial charges”.
- an amount of USD 33,754,503.15 has been reclassified from “Income from financial fixed assets – derived from affiliated undertakings” to “Income from financial fixed assets – other income from participating interests”.

Note 3 - Summary of significant accounting policies

3.1 Basis of preparation

The annual accounts have been prepared in accordance with Luxembourg legal and regulatory requirements under the historical cost convention.

Accounting policies and valuation principles are, besides the ones laid down by the Law of 19 December 2002, as amended, determined and applied by the Board of Managers.

The preparation of annual accounts requires the use of certain critical accounting estimates. It also requires the Board of Managers to exercise its judgement in the process of applying the accounting policies. Changes in assumptions may have a significant impact on the annual accounts in the period in which the assumptions changed. Management believes that the underlying assumptions are appropriate and that the annual accounts therefore present the financial position and results fairly.

The Company makes estimates and assumptions that affect the reported amounts of assets and liabilities in the next financial year. Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of futures events that are believed to be reasonable under the circumstances.

Notes to the annual accounts as at 31 December 2015

3.2 Significant accounting policies

The main valuation rules applied by the Company are the following:

3.2.1 Financial fixed assets

Shares in affiliated undertakings, participating interests and loans to these undertakings are valued at purchase price and nominal value respectively including the expenses incidental thereto.

In case of durable depreciation in value according to the opinion of the Board of Managers, value adjustments are made in respect of fixed assets so that they are valued at the lower figure to be attributed to them at the balance sheet date. These value adjustments are not continued if the reasons for which the value adjustments were made have ceased to apply.

3.2.2 Debtors

Debtors are valued at their nominal value. They are subject to value adjustments where their recovery is compromised. These value adjustments are not continued if the reasons for which the value adjustments were made have ceased to apply.

3.2.3 Foreign currency translation

The books of the Company are kept and the annual accounts are prepared in US dollar ("USD").

Transactions expressed in currencies other than USD are translated into USD at the exchange rate effective at the time of the transaction.

Long-term assets and liabilities expressed in currencies other than USD are translated into USD at the exchange rate effective at the time of the transaction. At the balance sheet date, these assets and liabilities remain translated at historical exchange rates.

Cash at bank is translated at the exchange rate effective at the balance sheet date. Exchange losses and gains are recorded in the profit and loss account of the year.

Other assets and liabilities are translated separately respectively at the lower or at the higher of the value converted at the historical exchange rate or the value determined on the basis of the exchange rates effective at the balance sheet date. The unrealised exchange losses are recorded in the profit and loss account. The exchange gains are recorded in the profit and loss account at the moment of their realisation.

Where there is an economic link between an asset and a liability, these are valued in total according to the method described above and the net unrealised loss is recorded in the profit and loss account. The exchange gains are recorded in the profit and loss account at the moment of their realisation.

3.2.4 Prepayments

Prepayments include expenditures incurred during the financial year but relating to a subsequent financial year.

3.2.5 Debts

Debts are recorded at their reimbursement value. Where the amount repayable on account is greater than the amount received, the difference is shown as an asset and is written off over the period of the debt based on a linear method.

*Notes to the annual accounts as at 31 December 2015**Note 4 - Financial fixed assets*

As at 31 December 2015, financial fixed assets include the following undertakings held at more than 20%:

Undertaking's name	Country of incorporation	Percentage of ownership	Gross book value as at 31.12.2015 USD	Cumulated impairment USD	Net Book Value as at 31.12.2015 USD	Net equity as at 31.12.2015	Net profit / (loss) as at 31.12.2015
Land Breeze S.à r.l.	Luxembourg	100%	483,855,663.90	-	483,855,663.90	USD	USD
Sea Breeze B.V. (*)	The Netherlands	100%	657,096,566.15	(657,096,566.15)	-	(267,288,791.04) USD	(419,306,091.56) USD
Winter Spark Resources Inc.	Canada	45%	600,530,276.05	-	600,530,276.05	174,255,988.56 USD	(257,709,296.12) USD
Spring Laurel S.à r.l.	Luxembourg	100%	3,150,020,000.00	(1,153,809,514.39)	1,996,210,485.61	1,996,210,485.61 USD	(1,137,348,418.18) USD
China Belgium Mirror Fund S.C.S.	Belgium	50%	7,946,945.65	(4,088,682.42)	5,483,917.46	5,624,850.00 EUR	1,207,243.48 EUR

(*) Based on consolidated financial statements.

The Management of the Company is of the opinion that the fair value of each investment is higher than their respective net book value. The company booked impairments for the year 2015 amounting to USD 99,809,188.10 on its securities held as fixed assets.

Notes to the annual accounts as at 31 December 2015

The movements of the year are as follows:

	Financial fixed assets (EUR)
Gross book value - opening balance	6,508,856,215.71
Additions for the year	5,804,344.32
Disposals for the year	(768,303,720.22)
Transfers for the year	<u>-</u>
Gross book value - closing balance	5,746,356,839.81
Depreciation - opening balance	(813,168,055.83)
Depreciation for the year	(1,910,715,268.64)
Reversals for the year	235,383,855.06
Depreciation - closing balance	(2,488,499,469.51)
Net book value - closing balance	<u>3,257,857,370.40</u>
Net book value - opening balance	5,695,688,159.75

Notes to the annual accounts as at 31 December 2015***Note 5 - Movements for the year on the equity items***

The movements for the year are as follows:

	Subscribed capital (USD)	Share premium and similar premiums (USD)	Reserves (USD)	Result brought forward (USD)	Result for the financial year (USD)
At 31 December 2014	1,445,119,525.00	2,730,820,184.50	28,840,249.46	(615,025,655.24)	126,676,223.07
Allocation of the 2014 result				126,676,223.07	(126,676,223.07)
Result of the year					(1,558,237,753.79)
Share premium reduction		(210,588,690.41)		201,738,690.41	
MRPS redemption	(460,576,413.00)				
At 31 December 2015	984,543,112.00	2,520,231,494.09	28,840,249.46	(286,610,741.76)	(1,558,237,753.79)

Subscribed capital

As at 31 December 2015, the subscribed capital amounts to USD 984,543,112.00 represented by:

- 956,190,112 ordinary units with a nominal value per unit of USD 1.00;
- 3,591,555 mandatory redeemable preferred class C units having a par value of USD 1.00;
- 2,526,183 mandatory redeemable preferred class D units having a par value of USD 1.00;
- 22,235,262 mandatory redeemable preferred class E units having a par value of USD 1.00.

During the year 2015:

- 41,000,000 MRPS class A units have been repurchased for an amount of USD 41,000,000
- 321,173,070 MRPS class B units have been repurchased for an amount of USD 321,173,070
- 98,403,343 ordinary units have been redeemed for an amount of USD 98,403,343

Reserves*Legal reserve*

The Company is required to allocate a minimum of 5% of its annual net income to a legal reserve, until this reserve equals 10% of the subscribed capital. This reserve may not be distributed.

Notes to the annual accounts as at 31 December 2015

Share premium

On 23 December 2015, the Company decided to reduce its negative result brought forward by an allocation of its share premium for an amount of USD 201,738,690.41.

On 29 December 2015, the Company has decided to distribute USD 8,850,000.00 to its shareholder.

Note 6 - Non-subordinated debts - becoming due and payable after more than one year

This amount of USD 2,084,981,732.71 owed by the Company to affiliated undertakings is due and payable after more than five years and is not secured by any collateral on assets.

Note 7 - Tax

The Company is subject in Luxembourg to the general tax regulations applicable to all companies.

In addition, the Company received the approval of the Luxembourg tax authorities to integrate one of its Luxembourg subsidiaries in order to consolidate their respective income tax. Tax amounts relating to the Municipal Business Tax and to the Corporate Income Tax are computed on the basis of the consolidated results of the different companies included in the tax consolidation scope.

The tax on profit is mainly composed of withholding tax on dividends received.

Note 8 - Off-balance sheet commitments

Land Breeze II acts as guarantor for a loan granted by different banks to one of its subsidiary.

Note 9 - Subsequent events

No significant event has occurred since the balance sheet date.

Land Breeze II S.à r.l.
Société à responsabilité limitée
18 Avenue Marie-Thérèse, L-2132 Luxembourg
R.C.S Luxembourg : B 148.836.
Capital amount: USD 984,543,112.00

The General Meeting held on 25/08/2016 has approved the annual accounts for the financial year ended on 31/12/2015. A loss of USD 1,558,237,753.79 has been allocated as follows:

	USD
Result for the financial year/period	(1,558,237,753.79)
Loss brought forward (before result allocation)	(286,610,741.76)
Share premium decrease	1,844,848,495.55
Results brought forward (after result allocation)	0.00